

**CENTRAL VALLEY PROJECT
SCHEDULE OF M&I COST OF SERVICE AND IRRIGATION EXCHANGE CONTRACTOR
COST OF SERVICE AND FULL COST RATES
2002 EXCHANGE CONTRACTOR WATER RATES**

Cost Component	IRRIGATION										
	O&M	CAPITAL ONLY			COS	TOTAL					
		for RRA	for RRA			RRA	RRA				
		for Full Cost	for Full Cost			Full Cost	Full Cost				
		202(3) 1/	205(a)(3) 2/			202(3)	205(a)(3)				
M&I			O&M	CAPITAL	COS						
				5/							
Water Marketing	5.66	N/A	N/A	N/A	5.66	5.66	5.66	3.73	N/A	3.73	
Storage	4.87	4.50	11.82	15.10	9.37	16.69	19.97	5.09	11.71	16.80	
Conveyance	4/	4.56	11.97	15.29	4.56	11.97	15.29	4/	17.81	17.81	
Conveyance Pumping Tracy Pumping Plant	4/	1.30	3.41	4.36	1.30	3.41	4.36	4/	3.44	3.44	
Other Costs 3/	N/A	0.47	1.23	1.58	0.47	1.23	1.58	N/A	5.16	5.16	
	10.53	10.83	28.43	36.33	21.36	38.96	46.86	8.82	38.12	46.94	

Sources: Cost of Service rates for both Irrigation and M&I are from Schedule 1 of the 2002 CVP Irrigation and M&I temporary contract water rates.

1/ Capital rate times 29 years, amortized over 29 remaining repayment years at 202(3) composite interest of 8.1100%
(Source: IRR 2002 FC (FA-1I) Composite Interest Rate All Components 202.Z04.xls)

2/ Capital rate times 29 years, amortized over 29 remaining repayment years at 205(a)(3) composite interest of 11.0060%
(Source: IRR 2002 FC (FB-1I) Composite Interest Rate All Components 205.Z04.xls)

3/ Full cost capital rates are based on capital rate times 29 years, amortized over 29 remaining repayment years at FY 2000 RRA interest rate of 6.671% (Reclamation Reform Act of 1982)

4/ Except for M&I conveyance through the Folsom-South Canal (\$5.80 / A/F), conveyance and conveyance pumping operation and maintenance costs will be billed directly to the Authorities.

5/ Includes interest.